DOCUMENT RESUME

ED 190 446 SO 012 756

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TITLE Interested in Money? You Can Bank on This. Teacher's Guide [and] Student Material.
INSTITUTION Project Consumer Operations Survival Training (COST), Easton, Kans.
SPONS AGENCY Kansas State Dept. of Education, Topeka.
PUB DATE May 79
NOTE 58p.; For a listing of related documents, see SO 012 734.

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS *Banking; *Comparative Analysis; Consumer Economics; *Consumer Education; *Economics Education; Grade 8; Learning Activities; Mathematics Instruction; Secondary Education; Social Studies; Teacher Developed Materials; Teaching Guides; Teaching Methods; Units of Study
IDENTIFIERS Project Consumer Operations Survival Training

ABSTRACT

This document provides teaching guidelines and student material for a unit intended for use in an eighth grade mathematics or consumer program. Time allotment is from four to five hours of classroom time. The objective of this capsule is to teach the basic concepts of banking, including how a bank makes money for its customers, services which a bank offers, the role of the FDIC in protecting customer's deposits, and federal and state banking laws. The document introduces banking as one of many types of businesses and discusses the services a bank can offer, including savings accounts, checking accounts, loans, safety deposit boxes, investment advice, and trusts. Nine learning activities ask the students to complete sentences, do a puzzle, compare banks through various methods, draw cartoons, collect newspaper ads, investigate the Yellow Pages of the telephone book, view a filmstrip, design an ad, and do research. Four supplementary activities suggest that the student investigate career opportunities in banking, investigate checking accounts, explore the history of banking, and learn more about the Federal Reserve System. The teacher's guide provides advance preparation information, a list of resources, keys to activities and tests, a bibliography, and copies of all worksheets and assessments. (CK)

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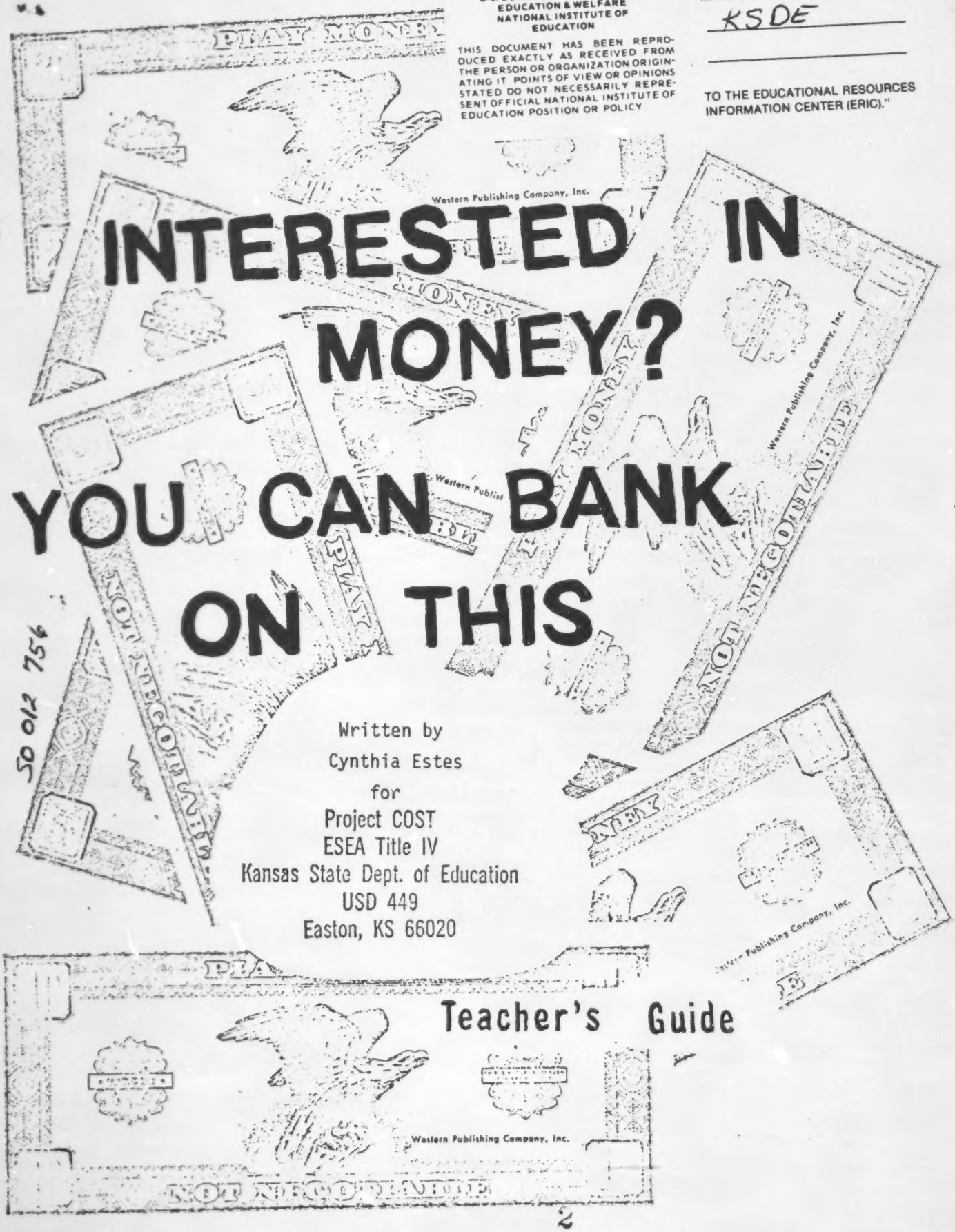


# INTERESTED IN MONEY?

# YOU CAN BANK ON THIS

SO 012 756

Written by
Cynthia Estes
for
Project COST
ESEA Title IV
Kansas State Dept. of Education
USD 449
Easton, KS 66020

## Teacher's Guide

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# PACKAGE RESUME FORM

Publication Date May, 1979 Level/Subject 8th Math

Title Interested in Money? You Can Bank on This

Author Cynthia Estes

Abstract INTERESTED IN MONEY? YOU CAN BANK ON THIS is part of a series of sequential capsules written by teachers at several grade levels. These capsules are designed to teach the basic concepts of banking. The series culminates at the senior high level with choosing the financial institution most suited for the individual consumer's needs. Interested in Money introduces the concept of banking as one of many types of businesses. The student is asked to use newspaper advertisements and the Yellow Pages of the telephone directory to compare the services that banks in his/her community offer. The role of the FDIC is explored, though not in great depth.

This capsule was originally written for use in a mathematics classroom. However, it could very easily be used as a critical reading unit in language arts.

The activities in this capsule may be completed with no other materials except newspapers and Yellow Pages. Although one activity does refer the student to a specific filmstrip/cassette, this activity is optional and not critical to the successful use of the capsule.

Students who use this capsule should be able to complete all of the activities in 4 or 5 class hours.

## OBJECTIVES

Upon completion of this capsule your students will be able to:

* 1. identify how a bank makes money for its customers

* 2. recognize services which a bank offers to its customers

* 3. identify the role of FDIC in protecting customer's deposits

* 4. recognize that banks operate under federal and state banking laws

## MATERIALS

In order to complete the activities in this capsule, you will need to have these materials available.

newspapers

telephone directories (Yellow Pages)

scissors

markers

drawing paper

poster board

glue

filmstrip/cassette "The Business of Banking, Part One" (optional)

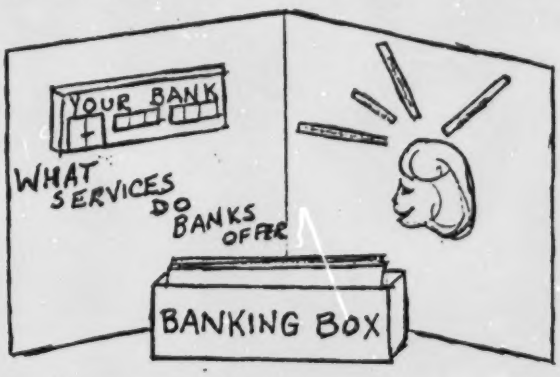
cassette player

copies of worksheets for each student

brochures from FDIC and Federal Reserve Bank of New York (see Resources on page 13 of this guide)

## SPECIAL INSTRUCTIONS

This capsule was written using a learning center format. Students are directed by the capsule to go to the Banking Box to find materials needed to complete activities. Two pieces of plywood 23cm x 30cm were hinged togther and stood vertically to serve as a center of attraction. A corrugated box was used to hold file folders containing copies of the worksheets. Below is a sketch of the learning center as set up in the classroom. If you do not use a learning center you will need to give students some special instructions about where to find the worksheets, and other materials needed to complete the activities.




### PRE-TEST

Students should complete the pre-test before going further than page 2 of the capsule. On page 2, students are directed by the capsule to get the pre-test from their teacher. A copy of the key can be found on page 7 of this guide.

### ACTIVITIES

In order to complete the activities in this capsule, you will need to have available to students copies of newspapers containing advertisements for banks and copies of the Yellow Pages of the telephone directory.

The filmstrip/cassette, "The Business of Banking, Part One" is part of a two filmstrip series on how banks operate. Part One stresses the concept that banks are businesses and operate in order to make a profit. The services that commercial banks offer are also discussed. If this filmstrip is not available in your school, you may have others that could be substituted. A general business textbook is another source of the same information.

Some students may have difficulty with the activity at the top of page 17 (Activity 6). This involves setting up a table of information. Some students may not have enough experience with these kinds of activities to complete the activity independently. You may want to provide some small group instruction in this procedure before students attempt this activity.

FIELD TRIP TO A BANK

As a culminating activity to this capsule you may wish to arrange for a field trip to a commercial bank in your community. You will want to telephone the bank at least one week in advance of the date that you wish to visit. Let the bank personnel know why you are visiting. Tell them the kinds of things that you are interested in seeing. Be sure that they are aware of the number of students involved and their age or grade level.

A successful field trip involves much preparation. Prepare your students for the trip. Let them know what they may expect to see. Help them to prepare some questions that they think might be answered by the field trip. Included in the appendix of this guide is a field trip guide which may be used with students to help them direct their attention to particular aspects of banking services. After the visit you will want to send a thank-you note to the bank.

## POST-TEST

Students should complete the post-test as soon as the activities are completed. A key to the post-test is found on pages 10-12 of this guide. A sample post-test is found in the appendix.

## USING QUEST ACTIVITIES

Quest activities are for those students who wish to go beyond the material covered in the capsule. Students should contract for Quest activities. A completion date should be included in the contract. A sample contract is included, but you may prefer to use one of your own design.

PRE-TEST

Name Key Date _____

Put T beside the statements that are true. Put F beside the statements that are false.

T 1. Banks must obey banking laws.

F 2. A bank makes a profit when it has many customers.

T 3. All banks offer savings accounts for their customers.

T 4. Banks make money by charging more interest on loans than they pay on savings accounts.

T 5. Banks do not print checks.

T 6. A checking account lets you write checks to pay for the things you want.

F 7. All banks must belong to FDIC.

F 8. The FDIC lends money to banks.

F 9. Banks do not help you invest your money.

T 10. The FDIC provides insurance to protect the money you have in the bank.

# BANK BOGGLE

## Interested in Money?

Name Key Date _____

Each of the sentences below needs a word to make it complete. Use what you know about banking services to help you complete the sentences. Write the letters of the words in the blanks beside the clue. The letters with circles around them are used to complete the puzzle at the bottom of the page. The numerals tell you where the letters belong in the puzzle at the bottom.

You pay _____ on the money you borrow from the bank.

I N T e (r)6 (e)4 S T

_____ accounts let you pay your bills without sending cash through the mail.

C H e C (K)3 (I)9 N G

Interest is paid to you on the money in your _____ account.

S (A)2 V I N G S

When you put money into your account, you are making a _____.

D E (P)5 O S I T

When you take your money out of the bank, you _____ it.

W I (T)10 H D R A W

Banks are a _____ place to keep your money, because it is protected.

S A (F)8 E

Banks may make _____ to people who need to borrow money.

L (O)7 A N S

People put _____ into savings accounts.

(M)1 O N E Y

WHAT ALL BUSINESSES WANT TO DO

| M | A | K | e | P | r | o | F | I | T |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |

KEY

MAP OF THE UNITED STATES

QUEST 4

POST-TEST

Name Key Date _____

Circle the letter of the correct answer.

1. Banks make money
   a. by selling travelers' checks.
   b. on the savings accounts of its customers.
   (c.) from the interest collected from loans.
   d. on checking accounts.

2. Which of these are services that all banks offer?
   a. drive-thru window, savings accounts, checking accounts
   (b.) safety deposit boxes, savings accounts, checking accounts, loans
   c. checking accounts, automatic teller, trust services
   d. Christmas clubs, savings accounts, trust services

3. Banks offer services to customers. These services include
   a. charging interest.
   (b.) renting safety deposit boxes.
   c. selling silver dollars.
   d. selling stocks and bonds.

4. Banks lend money
   a. to anyone who wants to borrow.
   (b.) in order to make money.
   c. as a service to the community.
   d. to other businesses only.

5. The bank pays interest

(a.) on the savings accounts of its customers.

b. on safety deposit boxes.

c. to people who borrow money.

d. on traveler's checks.

6. A national bank must operate under

a. banking laws of its state only.

b. federal banking laws.

c. FDIC.

(d.) federal and state banking laws.

7. The FDIC

(a.) provides insurance to protect the money that you have in the bank.

b. makes state banking laws.

c. lends money to banks.

d. makes federal banking laws.

8. All banks must

a. protect your savings from loss.

b. charge interest on checking accounts.

c. pay interest on the money that they lend.

(d.) make more money that they spend.

post- test (con't)

9. A savings account

   a. lets you write checks to pay your bills.

   b. can only be used during the first ten days of the month.

   (c.) will pay you interest on your money and give you a safe place to save.

   d. is the same thing as a checking account.

10. Banking laws

   (a.) are for all banks.

   b. tell banks to whom they can lend money.

   c. are only for state banks.

   d. tell banks how many customers they can have.

# RESOURCES

American Bankers Association. "Banking: Horizons of Promise". free
Order from:
American Bankers Association
1120 Connecticut Ave., N.W.
Washington, D.C. 20036

American Bankers Association. "Bank Services and You". free
Order from:
American Bankers Association (Address above)

American Bankers Association. "Faces of a Bank". free
Order from:
American Bankers Association (Address above)

DeBrum, Haines, et al. General Business for Economic Understanding.
South Western Publishing Co. Cincinnati: 1971.

Federal Deposit Insurance Corporation. "Your Insured Deposit".
Order from :
Federal Deposit Insurance Corporation
500 17th St., N.W.
Washington, D.C. 20429

Federal Reserve Bank of New York. "A Day at the FED". 30 cents each.
Order from:
Federal Reserve Bank of New York
Public Information Office
33 Liberty St.
New York, N.Y. 10045

Federal Reserve Bank of New York. "The Story of Checks." 3 cents each.
Order from:
Federal Reserve Bank of New York (Address above)

Guidance Associates. "The Business of Banking". 2 filmstrips/cassettes for $49.50. Order from
Guidance Associates
Communications Park
Box 300
White Plains, N.Y. 10602

Interpretive Education. Banking Series. 5 filmstrip/cassettes, 20 workbooks & teacher's manual for $124.95. Designed for special students. A low vocabulary series. Order from:
Interpretive Education
400 Bryant St.
Kalamazoo, Michigan 49001

Kansas Bankers Association will present a program on banks and banking services to classrooms in Kansas. For information contact:

Paul S. Lewis
Assistant Director of Research
Kansas Bankers Association
707 Merchants National Building
Topeka, Kansas 66612

# APPENDIX

This appendix contains copies of all worksheets and assessments. These copies may be used to make your own classroom quantity copies. To use, unstaple the sides of the teacher's guide and remove the worksheet and assessment pages. Restaple the remaining pages of the teacher's guide.

Interested in Money

PRE-TEST

Name _____ Date _____

Put T beside the statements that are true. Put F beside the statements that are false.

_____ 1. Banks must obey banking laws.

_____ 2. A bank makes a profit when it has many customers.

_____ 3. All banks offer savings accounts for their customers.

_____ 4. Banks make money by charging more interest on loans than they pay on savings accounts.

_____ 5. Banks do not print checks.

_____ 6. A checking account lets you write checks to pay for the things you want.

_____ 7. All banks must belong to FDIC.

_____ 8. The FDIC lends money to banks.

_____ 9. Banks do not help you invest your money.

_____ 10. The FDIC provides insurance to protect the money you have in the bank.

RECORD SHEET

INTERESTED IN MONEY? YOU CAN BANK ON THIS

Name _____ Grade _____

School _____ Teacher _____

Write your Pre-test score here ☐

Put the date in the box beside each activity as you complete it.

1. newspaper ☐ OR 2. Yellow Pages ☐

3. poster ☐ OR 4. cartoon ☐

5. Comparing Banks ☐

6. Bank Services Chart ☐

7. Yellow Pages Ad ☐

8. FDIC Paper ☐

9. Bank Boggle ☐

Write your Post-test score here ☐

QUEST

#1. ☐ #2. ☐ #3. ☐ #4. ☐

BANK BOGGLE

Interested in Money?

Name _____ Date _____

Each of the sentences below needs a word to make it complete. Use what you know about banking services to help you complete the sentences. Write the letters of the words in the blanks beside the clue. The letters with circles around them are used to complete the puzzle at the bottom of the page. The numerals tell you where the letters belong in the puzzle at the bottom.

You pay _____ on the money you borrow from the bank. — — — — __6__ __4__ — —

_____ accounts let you pay your bills without sending cash through the mail. — — — — __3__ __9__ — —

Interest is paid to you on the money in your _____ account. — __2__ — — — — —

When you put money into your account, you are making a _____. — — __5__ — — — —

When you take your money out of the bank, you _____ it. — — __10__ — — — — —

Banks are a _____ place to keep your money, because it is protected. — — __8__ —

Banks may make _____ to people who need to borrow money. — __7__ — — —

People put _____ into savings accounts. __1__ — — — —

WHAT ALL BUSINESSES WANT TO DO

__1__ __2__ __3__ __4__ __5__ __6__ __7__ __8__ __9__ __10__

## FRIENDLY NATIONAL BANK

.savings & checking accounts

.trust services

.personal & commercial loans

.bank by mail

.drive-in window

.night depository

.Mastercharge

.safe deposit boxes

.travelers checks

.free parking

**677-8889**

MEMBER
FDIC

9200 SMITH RD.

CITIZENS STATE BANK
Member of FDIC
1123 Happiness Cr . . . . . 474-2300
CAPITAL HILLS BANK
770 State St. . . . . 333-1876
FRIENDLY NATIONAL BANK
9200 Smith Rd. . . . . 677-8889
LIVESTOCK NATIONAL BANK
Drive-in hours 8:45-6
224 Hereford . . . . . 779-6698

## Osage State Bank

Hours 9am to 3 pm
Open Till 6 pm Fridays
and until Noon Saturdays

MOTOR BANK FACILITY

member F.D.I.C.

**744-5555**

337 Indian Trail Rd.

## Capital Hills Bank

SERVES YOU 78 HOURS PER WEEK

MONDAY THRU FRIDAY
7:00 am - 9:00 pm
SATURDAY
7:00 am - 3:00 pm

770 State Street
member F.D.I.C. Drive-in

# Comparing Banks

Name _____

1. Which bank stays open the latest hours on weekdays? _____

_____

2. Which bank is open the longest on Saturday? _____

3. If you worked from 8:00 a.m. to 4:30 p.m. would these late hours be important to you? Why or why not? _____

_____

_____

4. Do any banks offer free checking? _____

5. Would you want this service? Why or why not? _____

_____

_____

6. Which banks have drive-in windows? _____

7. How could these help you? _____

_____

8. Which banks are members of F.D.I.C.? _____

_____

9. Would this service be important to you? _____

10. Which bank pays the highest interest on passbook savings accounts?

_____

11. Which bank is closer to your home? _____

12. Why would this be important? _____

_____

13. If you were choosing a bank based on these services, which bank would you choose? _____

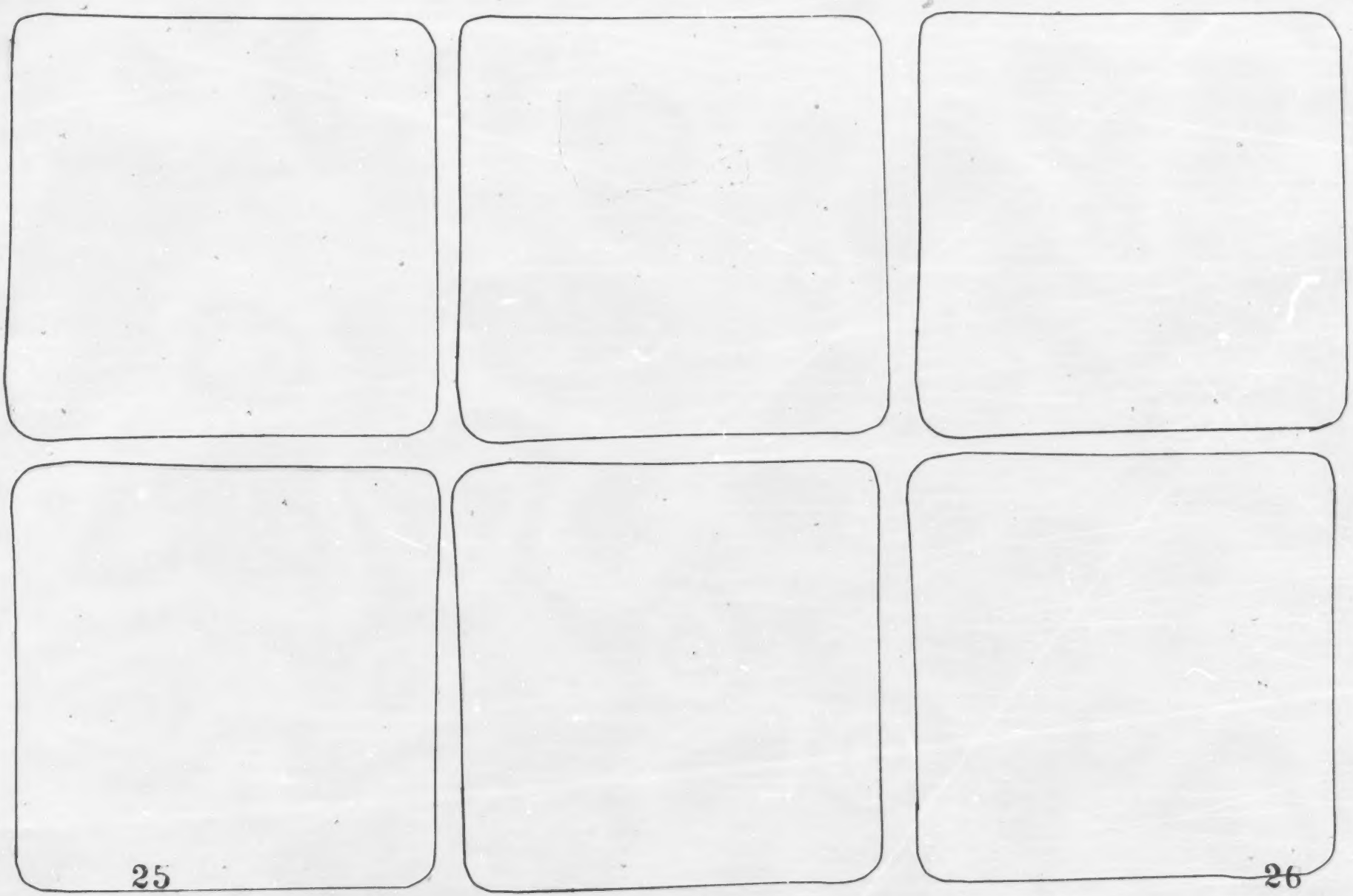
14. Why did you make this choice? _____

_____

_____

# cartoon sheet

Use this sheet to complete the last activity on page 8. Sketch your cartoon in pencil. Then go over it in marker or crayon. Use the first square to write your title and your name. You may use more than one copy of this sheet if you need to do so.



POST-TEST

Name _____ Date _____

Circle the letter of the correct answer.

1. Banks make money
   a. by selling travelers' checks.
   b. on the savings accounts of its customers.
   c. from the interest collected from loans.
   d. on checking accounts.

2. Which of these are services that all banks offer?
   a. drive-thru window, savings accounts, checking accounts
   b. safety deposit boxes, savings accounts, checking accounts, loans
   c. checking accounts, automatic teller, trust services
   d. Christmas clubs, savings accounts, trust services

3. Banks offer services to customers. These services include
   a. charging interest.
   b. renting safety deposit boxes.
   c. selling silver dollars.
   d. selling stocks and bonds.

4. Banks lend money
   a. to anyone who wants to borrow.
   b. in order to make money.
   c. as a service to the community.
   d. to other businesses only.

post-test (con't)

5. The bank pays interest
   a. on the savings accounts of its customers.
   b. on safety deposit boxes.
   c. to people who borrow money.
   d. on traveler's checks.

6. A national bank must operate under
   a. banking laws of its state only.
   b. federal banking laws.
   c. FDIC.
   d. federal and state banking laws.

7. The FDIC
   a. provides insurance to protect the money that you have in the bank.
   b. makes state banking laws.
   c. lends money to banks.
   d. makes federal banking laws.

8. All banks must
   a. protect your savings from loss.
   b. charge interest on checking accounts.
   c. pay interest on the money that they lend.
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9. A savings account

   a. lets you write checks to pay your bills.

   b. can only be used during the first ten days of the month.

   c. will pay you interest on your money and give you a safe place to save.

   d. is the same thing as a checking account.

10. Banking laws

   a. are for all banks.

   b. tell banks to whom they can lend money.

   c. are only for state banks.

   d. tell banks how many customers they can have.

# QUEST CONTRACT

I will complete Quest Activity _____ by _____. When I have finished with this Quest, I will give my work to my teacher.

_____ _____ _____

date student witness

MAP OF THE UNITED STATES

QUEST 4

FIELD TRIP GUIDE

NAME _____ DATE OF VISIT _____

NAME OF BANK VISITED _____

NAME OF PERSON WHO SHOWED YOU AROUND _____

What services does this bank offer to customers?

_____ _____

_____ _____

_____ _____

_____ _____

_____ _____

Does this bank offer safety deposit boxes? _____ If so, how much is the rent for one year? _____

Is there a drive-through window? _____

Is there a night depository? _____

What hours is the bank open? _____

Does the bank have special hours on certain days of the week? _____

Why does the bank offer this service? _____

Does the bank offer trust services? _____ What are these services? _____

_____

Is the bank a member of FDIC? What does this mean? _____

_____

BE SURE TO THANK THE PEOPLE WHO HELPED YOU ON YOUR TOUR!!!!!

# INTERESTED IN MONEY?

# YOU CAN BANK ON THIS


Written by

Cynthia Estes

for

Project COST

ESEA Title IV

Kansas State Dept. of Education

USD 449

Easton, KS 66020


## Student Guide

You can

BANK

on this

This is a learning capsule. It contains many different activities to help you learn about banks and the services that they offer to consumers. You will not do every activity in the capsule. Sometimes you will be told which activities to do. Other times you will be able to choose the activities you want to do.

Before you begin, you will complete a pre-test to see what you already know about the material in this capsule. Do not be concerned if there are questions on the pre-test that you cannot answer. Just answer the questions as best as you are able. When you finish the capsule, you will be asked to take a post-test to see what you have learned. Your teacher has a special activity for you to do when you have finished the entire capsule.

As you work on the activities in this capsule, you will be told to go to the Banking Box to find worksheets or other materials. The Banking Box is the name of a special place in your room that your teacher has placed all of the materials needed to do the activities in the capsule. Here you will find copies of worksheets, your own record sheet (so that you can keep up with what you are doing), filmstrips about banking, copies of the Yellow Pages from the telephone directory, and additional information about banking.

As you complete an activity you should show it to your teacher. When papers are returned to you, keep them together in a folder. When you have finished all of the activities, turn the folder in to your teacher for a final checking. After your work has been approved, you will be ready for the post-test.

GET THE PRE-TEST FROM YOUR TEACHER NOW!!!

# Objectives:

When you finish this capsule you will be able to:

* identify how a bank makes money.

* recognize services which a bank offers to its customers.

* identify the role of FDIC in protecting customers' deposits.

* recognize that banks operate under federal and state banking laws.

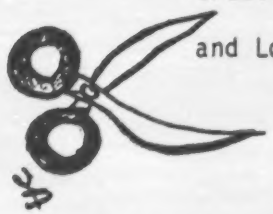
Walk into any commercial bank and you are very likely to hear comments like those above. Banks offer a variety of services to many people. In this capsule you will be learning how banks operate. You will also be learning about some of the services that a commercial bank can offer you.

Go to your teacher NOW for the pre-test to this capsule. After you have finished the pre-test, your teacher will tell you where to begin in this capsule.

Ready to begin? Let's start by looking at the kinds of banks that can be found in your community. Choose one of the following activities to complete. When you have finished the activity, show it to your teacher. After your teacher has looked at your work, keep it handy for a reference in the rest of the capsule. Don't forget to put your paper in your folder when you are not using it.

# Activities...

1 A newspaper is a good place to learn about the businesses that can be found in your community. Banks are one special kind of business. There are different kinds of banks. Your teacher has some newspapers for you to use to identify the types of banks that can be found in your community. Cut out all of the advertisements for banks that you can find in the newspaper. BE CAREFUL!! Savings and Loan Associations and Credit Unions are not banks. Do NOT cut out ads for Savings and Loan Associations or Credit Unions.



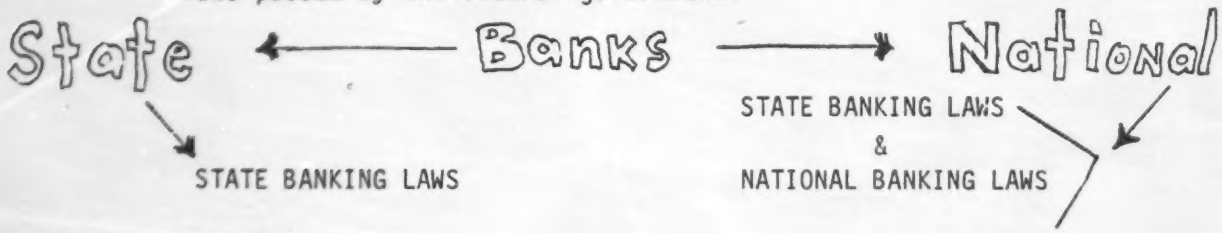
## Or...

2 The Yellow Pages of the telephone directory is another good place to learn about the kinds of banks that are in your area. The Yellow Pages lists businesses alphabetically by categories. All banks are listed together alphabetically by name. Look up "BANKS" in your Yellow Pages. On a sheet of paper list all of the banks that can be found in your community. If there are more than ten, list any ten that are found in the directory.

Mark the date that you finished Activity 1 or 2 in the correct space on your record sheet. Show your ads or your list to your teacher, then continue with the next part of this capsule.

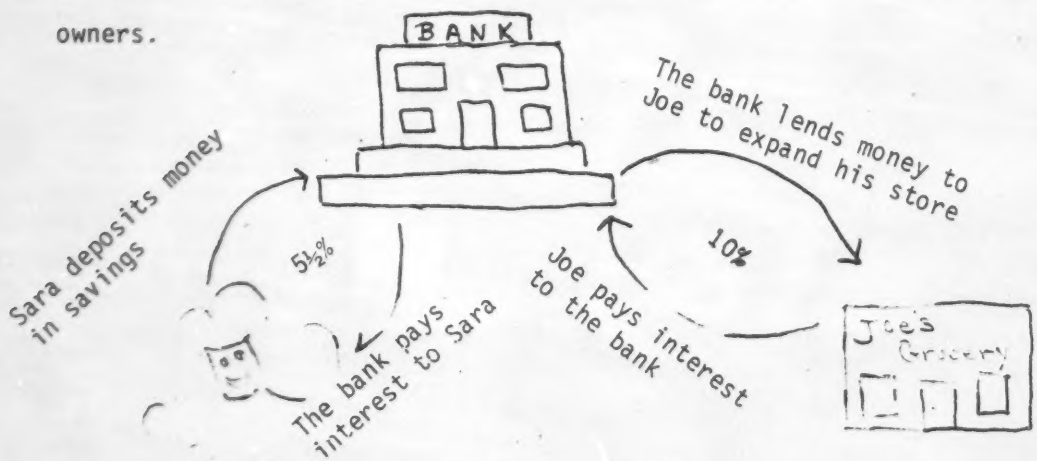
Let's look at the banks you found in your community either from the newspaper or Yellow Pages. As you go through your list, take out any that do not have the word "bank" as part of the name.

Your list probably includes state and national banks. State banks operate under the banking laws of the state in which they are located. National banks operate under those same state laws, but they also must operate under banking laws passed by the federal government.




A BANK IS A BUSINESS, just as a grocery store is a business. The purpose of any business is to make money for its owners. This money is called profit.

Here is a chart which shows how a bank uses its services to earn money to pay its expenses and provide a profit for its owners.


BANK
Sara deposits money in savings
5½%
The bank pays interest to Sara
The bank lends money to Joe to expand his store
10%
Joe pays interest to the bank
Joe's Grocery

As you can see in the chart on the previous page, the bank pays Sara 5½% interest on the money in her savings account. It collects 10% interest from Joe. The difference (10% - 5½%) is 4½%. Of course the bank has more customers than two, so this happens many times. This difference (in this case 4½%) is used to pay the bank's expenses. These might include a payment for its building, salaries for the bank's employees, utility bills, advertisement costs, taxes, etc. The money that is left over after these expenses are paid is called PROFIT. Some of the profit may be put back into the bank (re-invested) to make it better. Again, most people would not be in business if they did not intend to make a PROFIT.

## Let's learn more...

On the next page are some activities to help you learn more about the business of banking. Choose one of the activities to complete. Read through both activities before you choose. Be sure that you understand the directions before you begin. If not ask your teacher for more direction.

# Activities:

3 Look at the filmstrip, "The Business of Banking, Part 1". You will find the filmstrip at the Banking Box. After you view the filmstrip, make a poster. The poster should show how a bank gets money, and how it uses the money that it gets. Your teacher can show you where to find the materials to complete this activity. When you have finished, show your poster to your teacher. Don't forget to mark your record sheet.

## Or...

4 Go back and read the part in this capsule that tells how banks operate as a business. Use the cartoon sheet which is in the Banking Box to make a comic strip that tells how a bank gets its money and how it uses the money it gets. You may use more than one cartoon sheet if you wish. When you have finished your comic strip, show it to your teacher.

Turn the page to find out more . . . .

As you looked at all of the banks listed in the Yellow Pages or in the newspaper advertisements, you might have been surprised at the number of banks that are in your community.

If there is more than one bank in your community, there is competition between the banks. Each bank wants to get you, the consumer, to use its services. In order to get you for a customer, a bank may offer services that will make you choose it over the other banks in the community. Some banks may offer drive-in windows or free checking

or

longer hours

or

a night deporitory

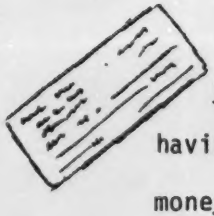
BUT. . .

. . . there are some services that all banks offer to their customers:

savings accounts
checking accounts
personal and business loans
safety deposit boxes
investment and trust help

LET'S LOOK AT THESE FIVE SERVICES MORE CLOSELY:

SAVINGS ACCOUNTS offer customers a safe place to keep their money when they want to save it. Sara puts her money into the bank for safe-keeping. This is called making a DEPOSIT. The bank pays INTEREST (money) to Sara based upon the amount of money that she has in her savings account. At any time she may take money out of the savings account (WITHDRAW it) as she needs to use it.



CHECKING ACCOUNTS let a customer use his money without having to carry it around with him. If Sara puts part of her money into a checking account, she may write checks to pay her bills or to buy the things she wants. This is safer than carrying lots of money around to do these things. When Sara writes a five dollar check to Joe's Grocery, she is telling the bank to pay five dollars of the money in her checking account to Joe. Sara cannot write checks for more money than she has in her account. If she only has $3.00 in her account, she cannot write a check for $5.00. It is illegal (against the law) to write checks for money that she does not have in her account. If she does the bank may not pay the person to whom whe wrote the check. Sara may also have to pay a fee (money) to the bank for writing a check for which she did not have money in her account.

Banks make LOANS to customers. Sometimes people need more money than they have saved in order to buy something. When Sara bought her car, she did not have enough money to pay for it. The bank loaned her the money to buy the car. Sara pays back part of the money each month. She also pays interest on the money that she borrowed. Banks make loans to people and businesses who need to borrow. A bank gets most of its income from the interest it charges on loans.

Bank customers may rent SAFETY DEPOSIT BOXES from the bank. This is not a box that the customer takes home with him, but is a special place in the bank. These boxes are usually in the vault.

Sara has a safety deposit box at her bank. In it she keeps her jewelry, her will, her birth certificate and her insurance policies. A safety deposit box is a good place for these things because they are safer than they would be at home in case of fire or theft. Not even the bank has the right to open Sara's safety deposit box. Sara has chosen to give her father the right to open her safety deposit box so that he could get papers out of the box if she were ill and unable to go to the bank herself. The box can be opened only by Sara or her father.

Banks may offer to help their customers in planning ways to INVEST their money wisely. Last year Sara decided that she wanted to invest part of her money. When you invest in something, you put money into it in order to make a profit.

Sara asked the bank to help her choose a good investment. An advisor at the bank suggested that she might like to buy stock in the paper mill in town. Buying stock in a company makes the buyer an owner of the company. Some large companies have thousands of owners called stockholders. The advisor gave Sara information about the paper mill and told her how much money she might expect to make on her investment.

The advisor also told her about some other ways she might invest her money. She might put her money into a different type of savings account that would pay her higher interest. She might choose to buy property with her money. The advisor told her the good points and bad points of all of these investments, but the final decision was Sara's. Sara decided to put part of her savings into paper mill stock.

A customer may wish to have the bank manage his money for him. He turns the management of this money or property over to the TRUST Department. For example, Sara's Uncle Bob has money, property and stock. His children are still in junior high. Because of their age it would be impossible for them to manage these wisely if Bob should die. Bob wants to be sure that his children have someone that he trusts to manage their money, property and stocks. For this reason, he has asked the TRUST Department to manage these things in the event of his death. This is a service of the bank. They do, however, charge a fee for this service.

These are not all of the services that an individual bank might offer. As you read before, banks must compete with each other for customers. They do this by offering more services than other banks. But, checking accounts, savings accounts, loans, investment and trust services and safety deposit boxes are services that all banks will offer to their customers.

On the next few pages are some activities to help you remember the services that you just read about. You will also be investigating other services that banks may offer to customers. Remember that banks compete by offering more services or better service than the other banks in the community.

CHOOSE ONE OF THE FOLLOWING ACTIVITIES:

Activity 5

Use the ads that you collected earlier to find services that are offered by the banks in your area. Complete the worksheet, "Comparing Banks" which is in the Banking Box.

OR

Use the Yellow Pages to find some of the services offered by banks in your area. Complete the worksheet, "Comparing Banks" which is found in the Banking Box.

When you have finished one of these activities, give your worksheet to your teacher. Mark activity 5 on your record sheet.

THEN . . .

DO ACTIVITY 6

Use the sample Yellow Pages which are found in the Banking Box. Find services that each bank offers which are not one of the five basic services: savings accounts, checking accounts, personal and business loans, safety deposit boxes, and investment and trust departments. Write the names of the banks across a sheet of paper. Under each bank list the special services which the bank offers. For example, one bank might be open later on Friday evenings. Your paper might look like this:

| State National | 1st State | Kansas National |
|---|---|---|
| open late Friday | free checking | VISA |
| free checking | drive-in window | drive-in window |
| .... | .... | .... |

When you have finished your chart, turn it in to your teacher and mark your record sheet.

NEXT . . .

DO ACTIVITY 7

Choose the services that you think would be most helpful to you if you were choosing a bank. Design an ad for the Yellow Pages which will tell customers the services that you would offer. Make up a name for the bank you are advertising. Use unlined paper for your ad. Display your ad in the classroom when you finish. Then mark your record sheet.

NOW DO THIS. . .

ACTIVITY 8

Many banks display a sign which says, "Your money insured against loss by FDIC". What does this mean? What do the letters FDIC stand for? Do all banks have this service? Would you want this service from a bank? Why or why not? Answer these questions on a sheet of notebook paper. You may find the answers in several ways: by looking in an encyclopedia under the subject of "Banks", by talking with a person who works at a bank, by reading one of the pamphlets about banking that are in the Banking Box. Turn your paper in and mark your record sheet when you finish.

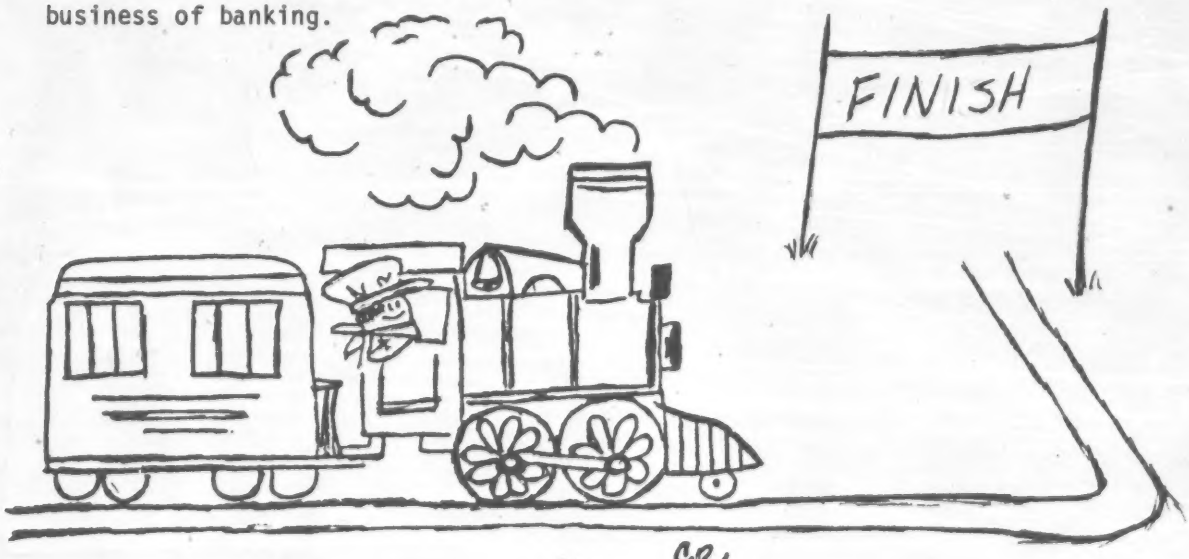
NOW DO . . .

ACTIVITY 9

Complete the Bank Boggle. You will find this at the Banking Box. Check your own paper when you finish. Then hand your paper in and mark your record sheet.

WOW. . .

You have finished all of the activities in this capsule. Put all of your papers together and show them to your teacher for one last check before you take the post-test. After your papers are checked, your teacher will give the post-test to you so that you can see how much you have learned about the business of banking.



# Quest...

You have done an outstanding job on this capsule. You may be interested in learning more about banking. If so, you may choose to complete one or more of the activities on the next few pages.

QUEST ACTIVITY 1

What kinds of careers does banking have to offer? As you walk into a bank you can see many people doing many different jobs. You may wish to investigate some of the career opportunities in the banking field. Check with your teacher or librarian about sources of information, or talk with a personnel director of a bank in your community. Find out what kinds of jobs are available. What special training is needed for these jobs? What is the salary range? What chance is there for promotion in this area? Prepare a poster about career opportunities in banking. The materials you will need for your poster can be found at the Banking Box. Ask your teacher if you may put your poster on the bulletin board. Do not forget to mark your record sheet.

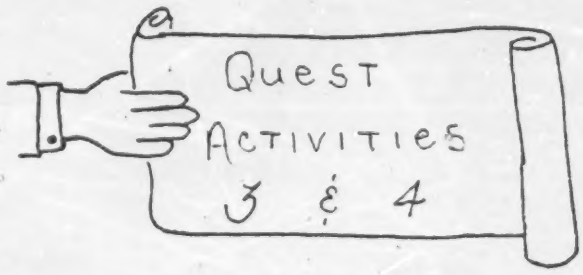
QUEST ACTIVITY 2

Investigate checking accounts further. In the Banking Box is a copy of the booklet, "The Story of Checks". Read this booklet. Look at the filmstrip, "The Business of Banking Part Two", or use other materials that your teacher has placed at the Banking Box to learn more about checking accounts.

Pretend that you are a check. Write a story that tells about your life. Begin at the time you are written. End the story when you return to your owner in his monthly bank statement. You may use cartoon sheets from the Banking Box if you wish to make a cartoon story. When you are finished, give your story to your teacher.

QUEST ACTIVITY 3

Explore the history of banking. Ask your librarian or teacher for sources of information on this subject. Write a story about the history of banking. When you finish, give your story to your teacher.




QUEST ACTIVITY 4

Learn more about the Federal Reserve System. Your teacher or librarian can help you locate sources of information. Get the U.S. map from the Banking Box. On the map label the twelve Federal Reserve cities. On the back of your map, write a paragraph or two telling what Federal Reserve Banks do. Give your map to your teacher when you are finished.

# Congratulations . . .

. . . . you have finished the activities of this capsule. You are now ready for the special activity that we talked about in the first part of this capsule. Your teacher may have planned for you to make a visit to a local bank. If not, call a local bank and ask if you may make a visit.

You now know many things about banking. You will be ready to listen to the people at the bank tell you the kinds of services that they have to offer to their customers. Perhaps you will see some of the things that were talked about in this capsule that you had never noticed about banks before. Because you are more informed about bank services, you can be a better judge of what services banks can offer you. Have fun on your visit!!!